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Transformation through Business Process Re-engineering (BPR)

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Objectives for this Class

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What's BPR?

Relationships: Change, Transformation & BPR,
HPO

How to “do BPR” right – just the essence
Structure
re-Design
Implement
People

Individual contributions even when BPR
environment NOT ideal



Overview Section

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coming up.....

Overview Section

History

Why BPR?

Core BPR concepts



Guessing Game

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World-renown 4-Star General:

" we're in the midst of transformation...".
(The need to emphasize maneuverability
over mass)

Guess: when?

who?



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Answer to Guessing Game

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- " we're in the midst of transformation...". The need to emphasize maneuverability over mass.
- Kansas 1908
- Ike's hero & commander: Gen. George C Marshall
- Many personal transformations





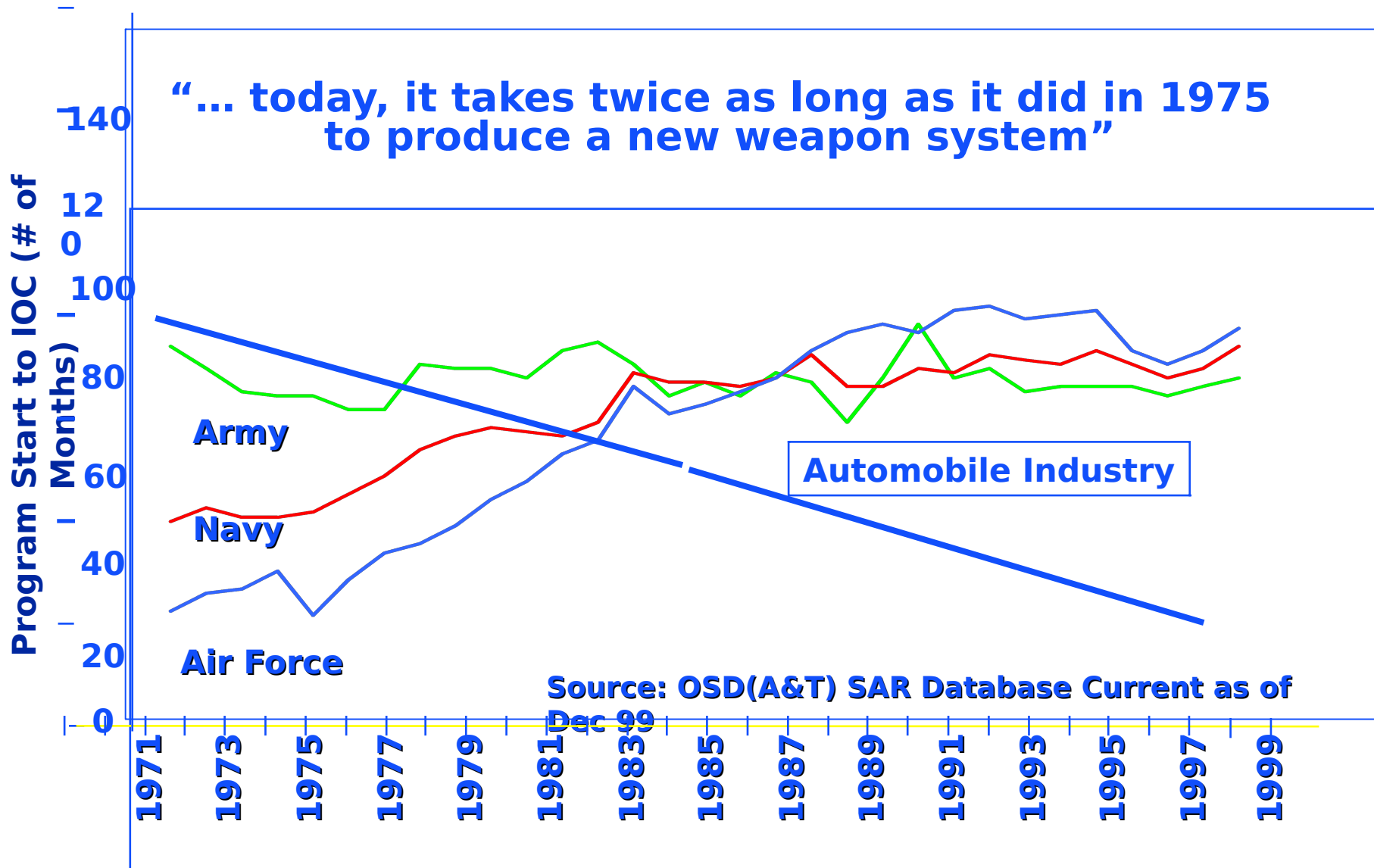
Secretary of Defense

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Secretary of Defense Donald Rumsfeld on ^EDoD Transformation

"We need to transform not only our armed forces by encouraging a culture of **creativity** and sensible risk taking ... a more entrepreneurial approach to developing military capabilities--one that is not mired in the past and one that does not simply wait for new threats to emerge to take us by surprise."

Why Change?





Traps to Avoid

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- **It is not necessary to change. Survival is not mandatory.**
--W. Edwards Deming
- **Benefits should exceed Costs**
 - Qualitative
 - Quantative
 - » **Beware the psychological pressures**



Examples of Military Processes

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- fielding “Joint Capability”
- CTFs (DT/OT integration)
- IT re-engineering
- IPOC (for EAFB customers)
- Program Manager -> Resource Advisor -> Contracting Officer



High Performing Organization HPO

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- HPO is a “special case” of BPR

Section 337, on p. 84 of the 2004 Authorization Act, presents an opportunity for eight DoD organizations to participate in the program. It may preclude A-76 competitions for up to 5 years for the pilot organizations.

- **GAO-04-343SP, February 2004** : Forum on HPOs
 - Visionary, sustained, people-oriented leadership
 - Hiring; retention of high performers
 - Chief Operating Officer

**Disclaimer: I know nothing official about HPO at
not for attribution**



Dr. Mike Hammer

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New insights on BPR

Reengineering:
radical change in business processes for
dramatic improvement

A shift of focus
from **boss** to **customer**
from **activity** to **results**
from **task** to **process**
from **individual** to **team**



Mis- conceptions

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- **Mis-focuses attention on procedure rather than on results and customers**
- **Increases workload requiring useless tasks**
- **Slows things down forces working to rule**



TOC, BPR & CaseWise

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- Complementary concepts
- Whether process design is firm ?
- Whether process or program/project ?
- Up-front investment in tools



BPR is itself a process!

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What makes BPR *Click* ?



Generalized PROCESS

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Definition: an organized group of related tasks that work together to create a result of value

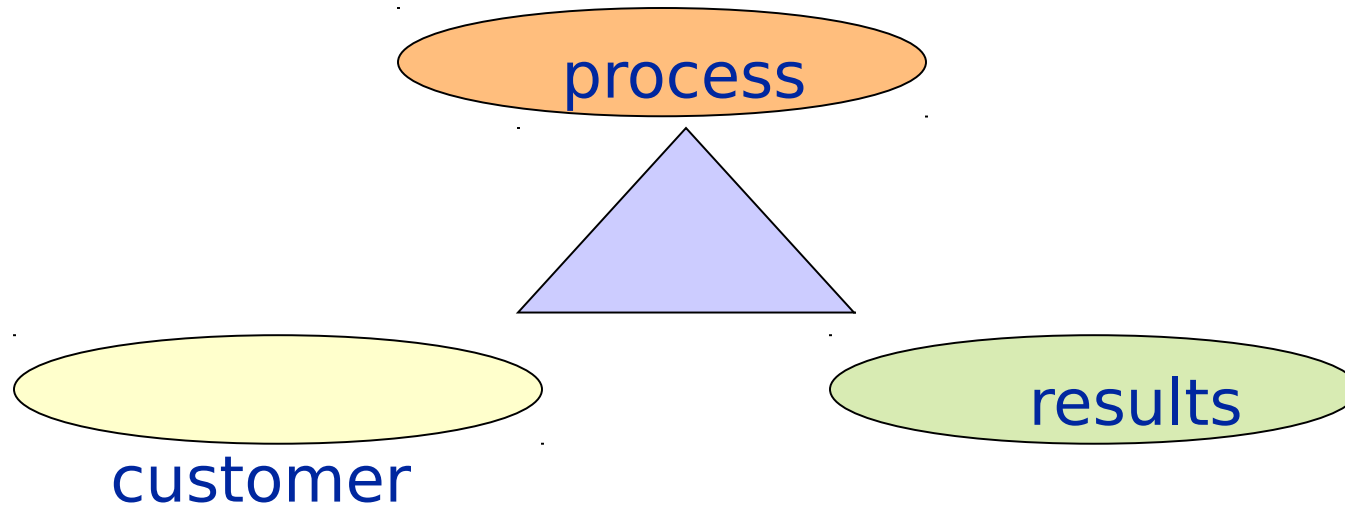
Focus: customer/process/results

Themes:
cross-functional
outcome-focused
innovation
work, not rank



The BPR Triad

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Communication across specializations – each team member involved to some extent in each aspect



Core Elements

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- **Effectiveness**
process re-design drives out NVA
- **Alignment**
the right team members
customer and outcome focus
- **Consistency**
Documentation, culture, alternates & cross-training



Maxims

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- **Don't dwell on perfection**
- **Good ideas may be costly**
 - **“it's worth it”**
- **Re-prioritize to capitalize**

**When you feel
you're in a box --
step outside it
("time out")**





Who drives change?

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- **Leadership/executive management vision overcoming resistance**
- **Operating managers/process owners doing the work that creates the results**
- ***Change agents/reengineering team process design and campaign support***
- ***Customers***



Review Level

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- **Process Council**

- comprised of process owners, chaired by Chief Process Officer
- context for translating enterprise objectives into process goals
- forum for advocacy, resource allocation, and conflict resolution
- overcoming parochialism

- **Chief Process Officer (CPO)**

- establishes overall process architecture, process management policies, and implementation strategy
- chairs Process Council
- facilitates information exchange between process-owners



Team Level

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- **Process owner: an individual with accountability and authority for the process**
trans-team responsibility
someone with the time and motivation
- **Teams perform process tasks, deliver results**
skills and commitment
caliber of team members is key to success



Performance Metrics

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- **determine customer needs/wants**
- **set performance targets**
eg: 30 % less cycle time; 20 % less cost
- **translate into performance requirements**
eg: 2 months for Phase 3; limit 1 pg specs
- **identify key performance indicators**
eg: customer survey after Rollout
- **deploy measurement mechanisms**
- **review and interpret performance**
- **act on performance information**



Performance Metrics

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**Align rewards
with
BPR metrics**



The DoD Solution

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An integrated product / process
management team



an IPT -- that works !!!



DoD and BPR

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- **DoD established the Business Process Reengineering (BPR) support program to redesign the Department's business processes and to achieve improvements in performance.**
- **Tools, Best Practices available at**
<http://www.defenselink.mil/nii/bpr/bprcd/>



START

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Boss says:

Go do BPR



Walking the Roadmap

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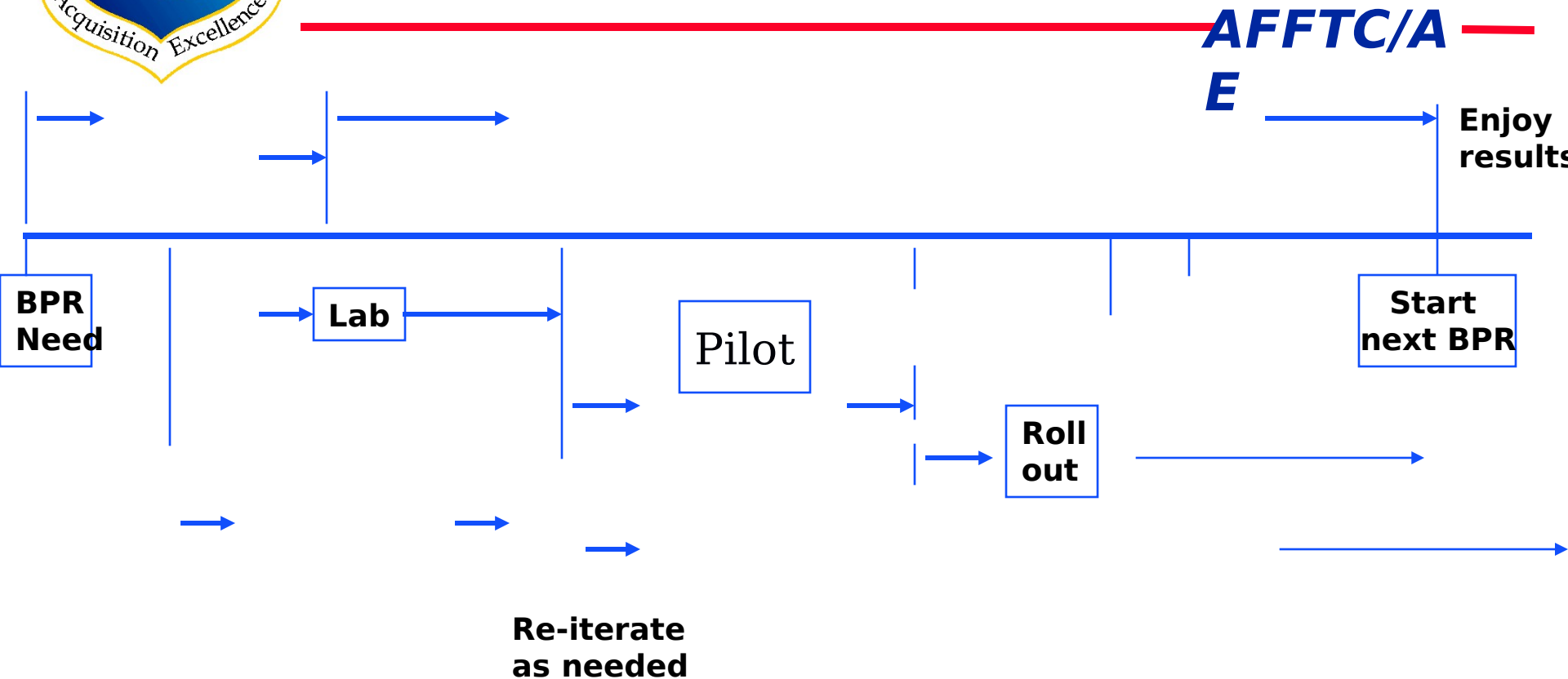
coming up.....

**Timeline of Key Steps:
ROADMAP**

Begin: STRUCTURE



Roadmap of the BPR Process

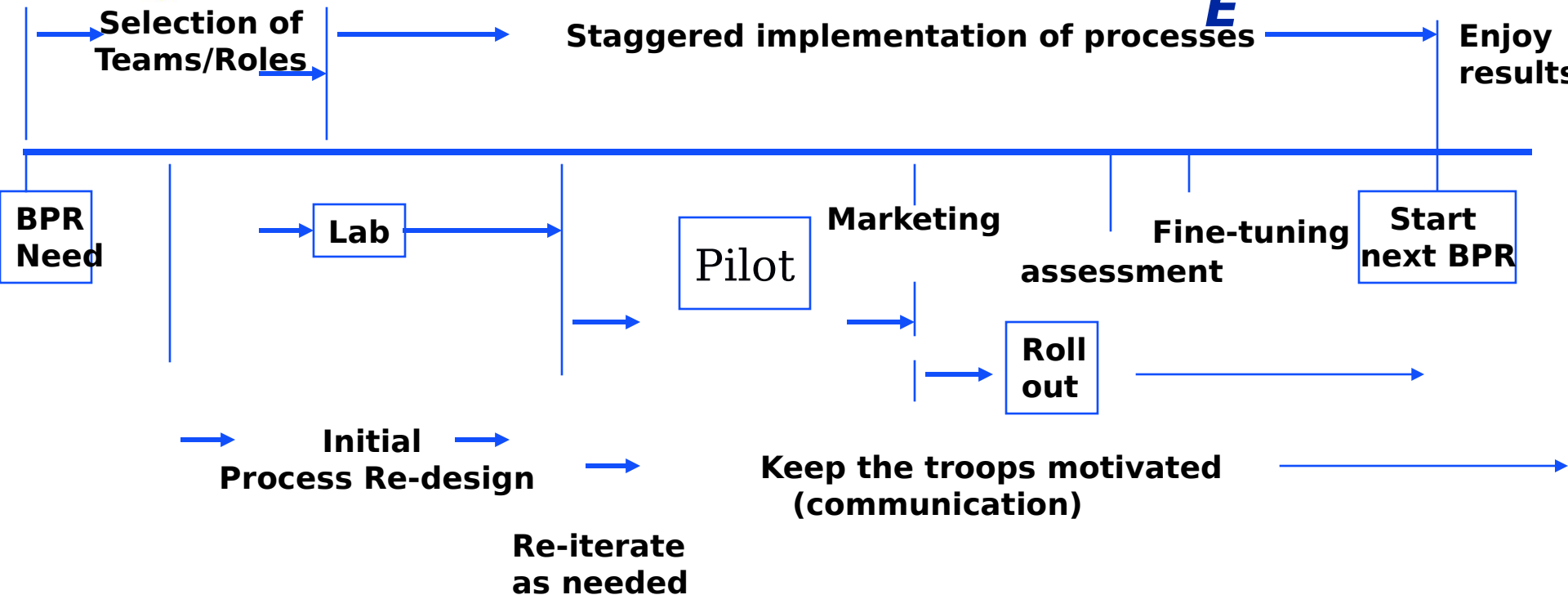




Roadmap of the BPR Process

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MOBILIZE

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- **Identify business processes**
- **Use process owners and governance structure**
- **Determine process measures**
- **Determine process prioritization**



Over-arching IPT (OIPT)

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Policy Management

- boundaries, priorities, and resource allocation
- conflict resolution
- goal alignment
- interface between IPTs
- oversight



Program IPT

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Program management

- doing the work that creates the results
- rule of 7 (mix of insiders & outsiders)
- master-schedule/risk management
- integrating project sub-process) teams (sub IPTs)
- assuring consistency across all efforts (other IPTs)
- progress reports to CPO, OIPT
- overall progress monitoring



LAB

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coming up.....

DESIGN/TEST



DIAGNOSE

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- **Bound and scope the process**
- **Understand customer needs**
- **Understand the current process**
 - brief (1 month), big picture
- **Identify weaknesses in the existing design**
- **Set targets for new design**



RE-DESIGN

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- **Get CREATIVE: question everything**
- **Develop end-state design**
- **Develop implementation roadmap**
- **Build initial laboratory prototype**
- **Test, learn, improve, and iterate**



Guides to Creativity

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- **Templates**

apply recurring patterns of high-performance process transformations

e.g., case worker, work relocation, parallelism, earlier decisions, less precision, less risk-averse

- **Assumption breaking**

trace problems to rules to assumptions, and then question

e.g., delays caused by specialization caused by assuming all cases complex

- **Disruptive technology**

look for opportunities to exploit game-changing power of technology

e.g., shared data enables simultaneous work



Minimize

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hand-offs

Non value-added

specialization



Aid to Creativity

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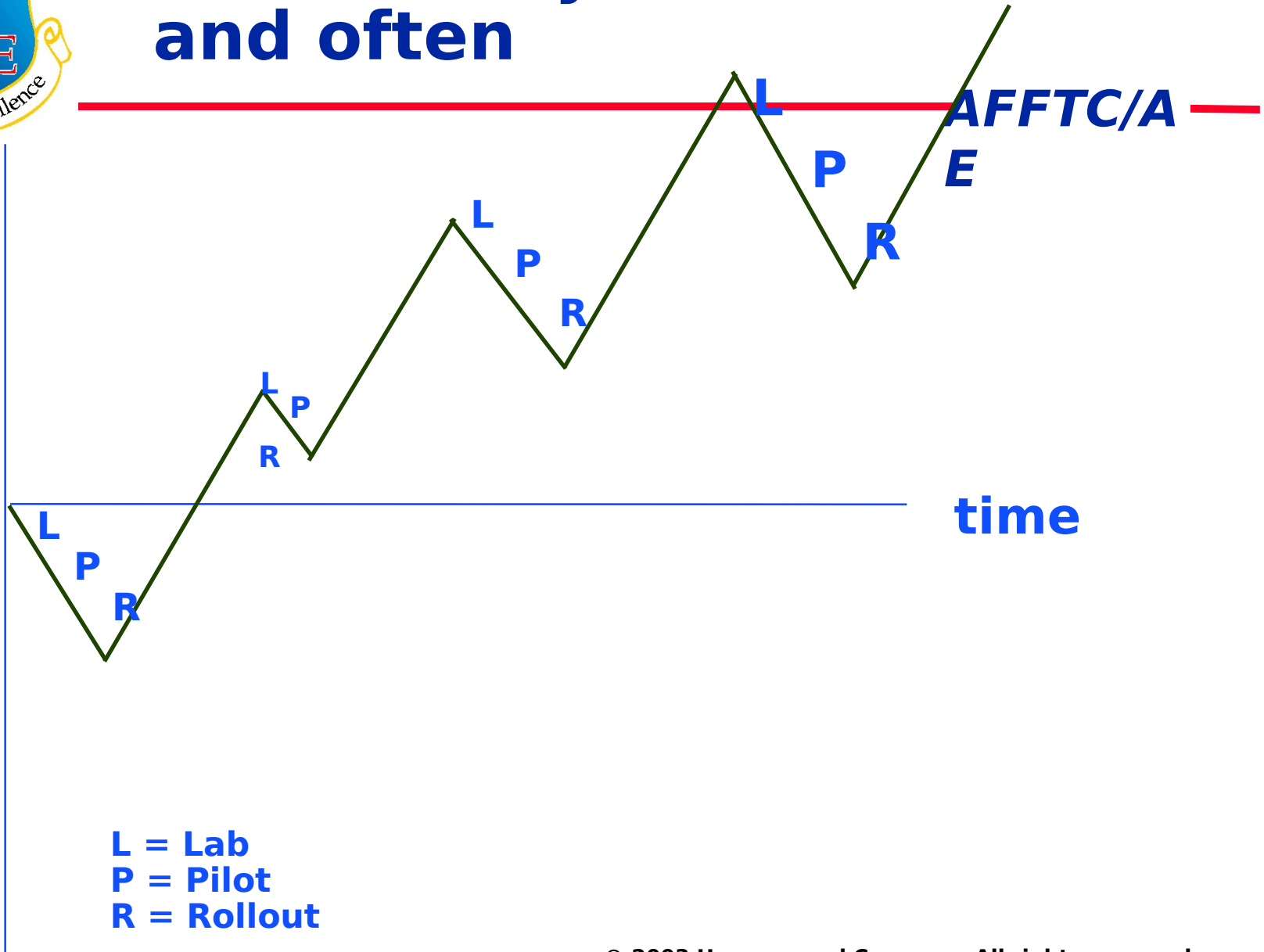
- **When (relative and absolute)**
- **Where**
- **Whether**
- **What inputs and information**
- **How much**
- **How often**



9-month Rule

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Release 1, 2, 3, ...

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- Don't wait until the end to deliver value
 - nothing succeeds like success: building credibility and confidence
- Avoid massive up-front investment
- Get earlier payback
- Don't presume omniscience in design
 - knowing in advance exactly how everything should fit: allow for opportunities for learning



On to Implementation

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Finished:

DESIGN/TEST

Coming up

**IMPLEMENTATIO
N**



IMPLEMENTATION

TRANSITION/FINISH

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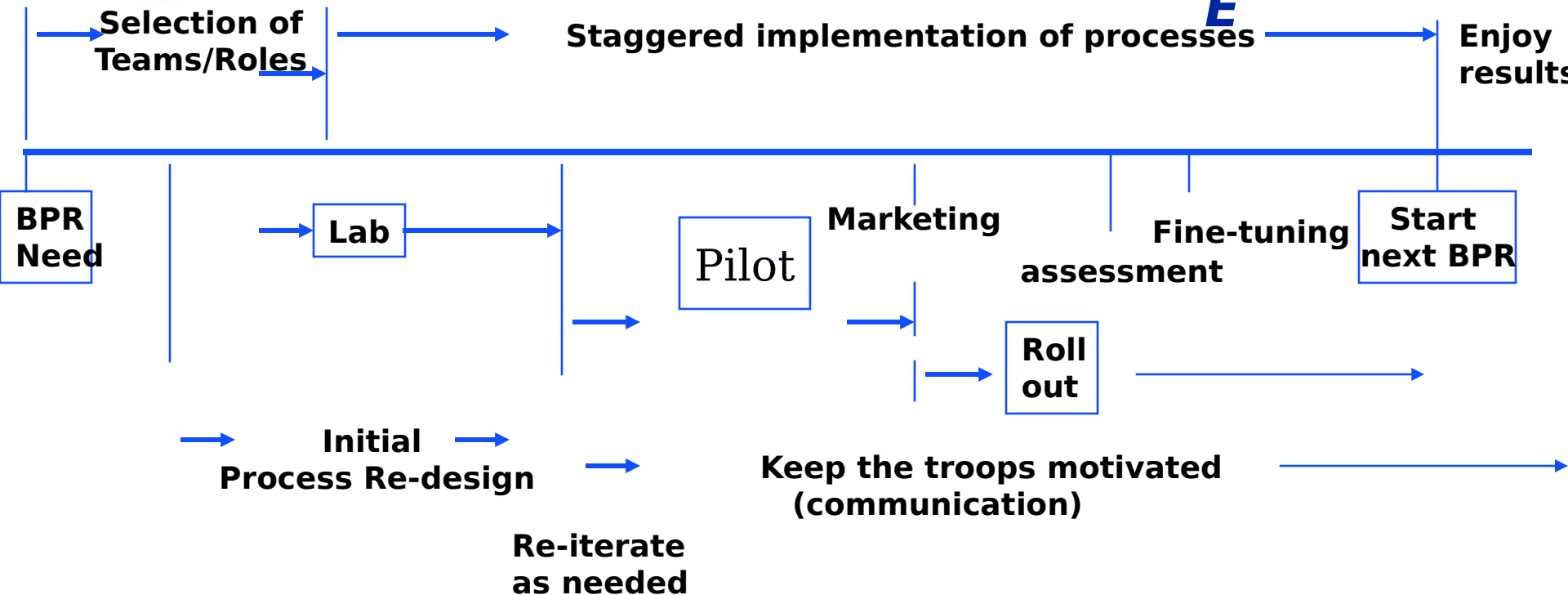
- **Implement initial field version (pilot)**
 - **Realize initial benefits**
 - **Develop supporting infrastructure**
 - » **Training, Computer Systems**
- **Rollout**
- **Institutionalize**
- **Implement succeeding releases**



Roadmap of the BPR Process

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Revolution

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Finished:
WORK

Coming up

MISSION



Does this look like a Revolution?

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A Model of the Process Enterprise





Coaching vs Bossing

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Attention

to developing people and their capabilities

Mentoring employees

feedback, career guidance, skill evaluation, training

Empathy

walking the mile in the employee's shoes

**Enable: NOT ordering task
performance**



Role of Supervisor (Coach)

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- hiring
- team selection
- evaluation (set expectation)
- development
- planning
- networking
- NOT: task/process driver



Functional Departments have an evolving role !

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An organizing mechanism dedicated towards
nurturing and developing people and their skills

not where work is done
talent pool from which team members are drawn
(skill bank)
"home room" for team members
professional association and community: guild
emphasis on training, development, experience
sharing, counseling
run by a coaching staff

what I am, and what I know, as opposed to what I do



Resistance

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**Overcoming resistance is
the key to success**

the soft stuff is the hard stuff

**the technical problems are the easy
problems**

“people issues” -- leading cause of failure



Machiavelli

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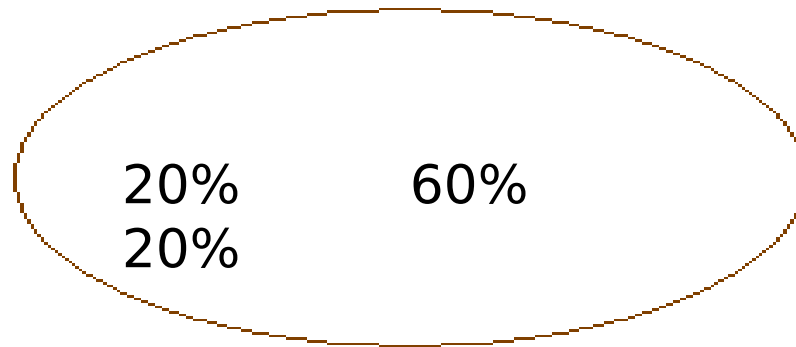
It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones.



Fomenting Revolution

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The inevitability of conflict





Primary Cause of Failure

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- **“People issues”**

- the trauma of a massive transition**

- fear of the unknown**

- messy, personal, emotional**

- 80 + 80 = 100**

- **Solutions**

- listen empathetically (filter), be intuitive,**

- give “tough love”, don’t argue**

- explain: “no better alternative”**

- training**



People are Critical Assets

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people **MUST** be treated as valued resources

- from grunts to assets
- process performance highly leveraged on personal performance
- the right people are relatively scarce and costly to develop
- invest and extract value over lifetime



Leadership by each Individual

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- **“Nothing happens without personal transformation”**
– *W E Deming*
- **“The transformation of the world is brought about by the transformation of oneself”**
– *J Krishnamurti*



Ideal Team Member Characteristics

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- **Enthusiasm, optimism, and ambition**
- **Persistence, energy, tenacity, self-esteem, stamina, thick skin, follow-through, resilience, commitment, courage, stoic, dispassionate, calm**
- **Process thinking: systems, big picture, holistic, critical, quick learner**
- **Design capability: open mind, creativity, evaluation of tradeoffs, performance analysis, troubleshooting, problem-solving, resourcefulness**



Team Members (cont'd)

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- **Discontent with status quo (mavericks and renegades), hunger for change**
- **Questioning, skepticism, open mind, unafraid**
- **Comfort with rule breaking, ambiguity, change, and risk**
- **Broad business perspective**
- **Inter-personal, teamwork, listening, persuasion, and communication skills**



Team Members (cont'd)

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- **Synthesis [Hegelian] of Mars & Venus [John Gray]; hybrid:Engineer & Salesman - who can't keep a job**
- **IMPOSSIBLE for one individual**
- **But possible for a TEAM**
- **NOT “who happens to be available”**



Selecting/Hiring is Key

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Selecting/hiring on capabilities

from “skills and experience” to “aptitude and attitude”

“In a time of **drastic change** it is the **learners** who inherit the future.

The **learned** usually find themselves equipped to live in a **world**

that no longer exists.”

Eric Hoffer



Reward Contributions

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Measurement and compensation

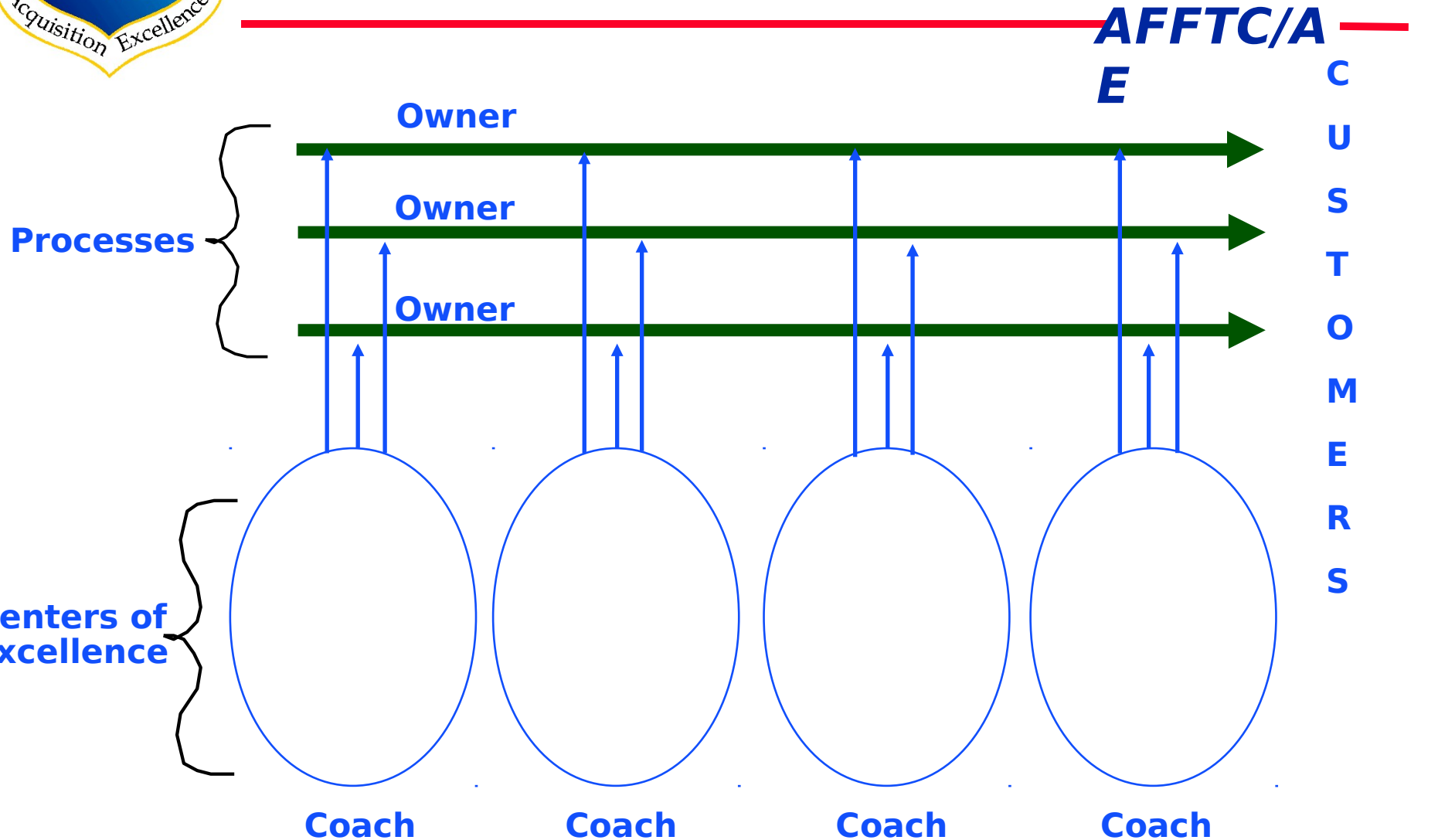
difficult & impossible to be perfect

flex time may be more important
than \$\$

individual priorities vary widely



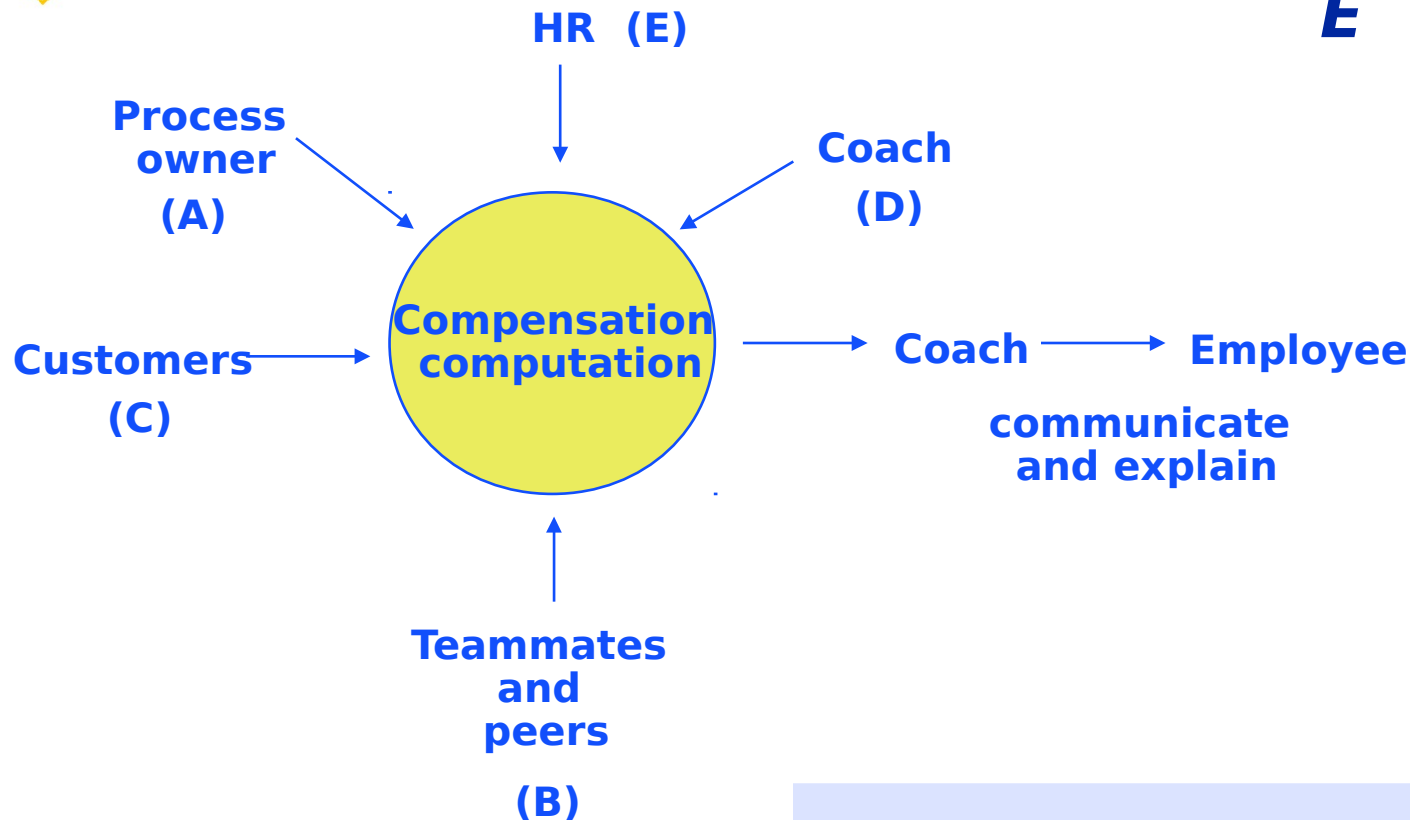
An Organizational Model





Compensation Process

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Who specifies the computation?



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Finished:

Generic BPR

Coming up

**EAFB specific
issues**



BPR at Edwards -- What's different this time

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- **New mix of PEOPLE**
- **DoD/AF/AFMC/EAFB leadership support stronger**
- ***Techniques are better:***
 - ***9 month rule; best practices; focus on hand-offs; bosses as coaches; leadership for everyone;....***
- **Possible HPO mandate for Edwards**



BPR resources at Edwards

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Manpower (XPM)

David Crabtree

Organizational Health Center (OHC)

Maj Calvo; Dr Palak; Greg McCutcheon

Edwards Community Outreach Team (ECOT)

Darrel Burns

Human Resources Development (HRD)

Dr. Sue Jacobsen

Acquisition Center of Excellence (ACE)

Dr Sean Subas; Jeff Veselenak; Megan Horn



The ACE at Edwards

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thanks

**for joining us on the
journey**